

MEMORANDUM FOR: Director of Security

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Bob,

John asked that I get a copy of [redacted] to
you.

[redacted] 25X1

Date 21 June 1979

FORM 101 USE PREVIOUS

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FILE Security 18

21 June 1979 *

MEMORANDUM FOR THE RECORD

SUBJECT: The APEX Special Access Control System:
A Security Manual for Industry; control of

1. As part of the learning phase for the Industrial Contracting/Industrial Security Team, [redacted] Special Assistant to the DCI for Compartmentation, briefed us on the proposed new security system. He emphasized the sensitivity of the program and the fact that it was still in staffing. Accordingly, no disclosure of the information provided would be permitted.

2. On 13 June 1979, as part of a [redacted] survey of contractors, [redacted] and I inspected the [redacted]

[redacted] Program Security Officer, stated that "the new system would give them problems with the two person rule plus other restrictions." He indicated that he had the manual and that Mr. [redacted] had been briefed on it. I neither confirmed nor denied the existence of the manual but rather turned the discussion to other matters.

3. Upon return to [redacted] office, he put a xerox draft copy of subject manual on the table. I inspected it and noted several comments in the margins indicating both a close perusal by [redacted] as well as substantial dissatisfaction on his part with the two-man rule and other requirements of the APEX system. He volunteered the information that [redacted] (Security Officer for the [redacted]) had sent the draft xeroxed manual to him. He opined that "now he had gotten [redacted] in trouble." I again did not continue the discussion--which he clearly wanted to do--but turned to a discussion of document control and other subjects of concern to us.

4. Upon return to Headquarters at 0820, 21 June 1979, I advised the Deputy Inspector General of the situation, asked him to brief the Inspector General and suggested that I advise [redacted] [redacted] about the disclosure of the APEX Manual. He agreed and I subsequently briefed Mr. [redacted]. He will discuss the situation with

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DCI Security. I noted that I would do nothing further unless otherwise directed by my superiors and left the matter in his hands.

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Distribution:

Mr.
Mr.
D/SEC
C/SS/OD&E

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APEX CONTROL SYSTEM MANUAL
INDUSTRIAL SECURITY BRANCH COMMENTS

GENERAL COMMENTS

1. Inasmuch as the APEX Control Manual sets forth policy standards and procedures to protect Sensitive Compartmented Information, it is recommended that the manual itself be classified since it, in itself, is an intelligence method. If it is not classified, it will be available to anyone under the Freedom of Information Act.

2. It should be recognized that if the 1973 USIB Standards for setting forth the physical security requirements for the protection of Sensitive Compartmented Information are utilized as intended for the protection of Sensitive Compartmented Information controlled by the APEX Security Control System, then that protection is weak and is not compatible with the statement in Section 2 of the APEX Control System Manual, which states that EO 12065 recognized the need to establish special access programs to control access, distribution, and protection of particularly sensitive classified information, etc.

SPECIFIC COMMENTS

Cover Memorandum dated
26 January 1979 from

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-Paragraph 7 of this memorandum indicates that guidance regarding Sections VII e, f, and g would not be part of the Manual. We have included comments on these items (changes in personal status, contacts or association with foreign nationals, alien marriages and travel and duty assignment restrictions) in our drafts of the Industrial Security Manuals. For the sake of uniformity, should the Government manual not also include such instructions?

Page 1, last line

-Suggest the insertion of the word "control" between "individual" and "system."

Page 4, line 1

-Suggest this sentence begin as follows: "In order to protect highly..." etc.

Page 5, line 5

-Suggest the phrase "within 30 days" be replaced by the phrase "30 days before."

Page 10, first four paragraphs

-Will there be any written evidence in the security files of an individual which attests to the operational or product compartments within the Apex Control System, to which he had had access?

Page 10, paragraph C

-Do the words "as appropriate" modify the persons named in the first sentence, or do they modify the whole statement in the first sentence, so that annual rejustification would not be required until that were considered appropriate?

Page 13, paragraph i

-Shouldn't these individuals be bound by an Apex Secrecy Agreement? If not, there are no limitations on these individuals not to disclose Apex Control Information.

Page 14, paragraph VI b

-Since this is such sensitive information, would it not be a good idea to limit the knowledge, even within the Central Access Approval Registry, of the names of the people who are accessed to data?

Page 15, lines 2, 3, and 4

-Should not this sentence read, "Status, rank, and position are not in themselves sufficient reasons to establish the clearly demonstrated needs to see [redacted] data?" 25X

Page 15, Section c, second paragraph

-Should not the Two-Person Rule be exercised when it is necessary to transmit [redacted] information outside the [redacted] control office area? If not, an individual would have the opportunity to copy this very sensitive information if he chose to. 25X

Page 16, first paragraph

-Will [redacted] material be open-shelf stored or should it not be always secured in a GSA-approved security container or in a drawer with a separate control drawer head in a GSA-approved security container? 25X

Page 17, paragraph VII a.1

-DCID 1/19 is appropriate as far as it goes. But it doesn't include the Two-Person Rule and other various items. It could, of course, be amended to include them. *not needed* 25X

Page 18, Paragraph VII b.5

-This paragraph requires rebriefing on at least a bi-annual basis. The DCI and Director of Security have asked for annual rebriefings, at least in industry. Is this consistent with their intent? *Not asked* 25X

Page 19, line 10

-What is a timely basis? The problem with CIB records now is that they are always out of date. *Not asked* 25X

Page 20, line 8

-Same comment as on page 16, first paragraph.

Page 20, paragraph 6

- See comment regarding page 15, Section c, second paragraph.

Page 23, Section c

- Suggest first sentence begin as follows: "Security approval for access to..."
- Suggest the title of DCID 1/14 be capitalized, since it is a formal title.

Page 23, Section d, lines 6 and 7

- Suggest phrase "for inclusion in the Central APEX Registry" be changed to read "in order to update the information maintained in the Central APEX Registry."

Page 24, Section e

- This section does not make it clear that casual contacts with hostile country nationals should or should not be reported. Should they? What is a casual contact?
- Also, since Section VII e, f, and g will apparently not be in the APEX Manual, where will they appear? Will each Agency issue its own instructions or will these be a Uniform set of instructions issued by SECOM?

Page 25, line 4

- Suggest the phrase "are accessed" be struck and replaced with the phrase "who have been approved and briefed for access..."

Pages 32 and 33, section c

- The common badge system appears to be a poor method to be utilized for establishing prima facie evidence of the approval status of an individual's access to various APEX compartments. It seems that it would be difficult to keep this badge up to date and problems would be encountered in attempting to continuously revalidate the badges.

Page 41, Section c, line 3

0.14 - Will the two couriers be required to be approved and briefed for access to APEX-General?

- OD&E uses two staff type contract couriers only on local runs

runs sometimes. They do not generally use two couriers on

runs sometimes. They do not 25)

* generally use two couriers on

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Page 42, lines 3, 4, and 5

Does the prohibition to transmit APEX material via commercial aircraft preclude the use of OD&E couriers who now use commercial aircraft? Also, how can there be an exception to something that is prohibited? It appears that the wording should be changed.

Page 45, Section f

- It is recognized that approved destruction methods must be used.
But who really approves the methods?
¶ The destruction devices themselves receive technical approval from a different source, and each Agency seems to have different criteria.

Page 52, Section XV a

- Should this paragraph not also include specific reference to DCID 1/14 requirements?

Page 53, Section b, line 6

-The Department of Defense, in DOD 5220.22-M, paragraph 21c (Foreign Ownership, Control or Influence) requires notification by any investor who as acquired direct or indirect beneficial interest of five percent or more, not six percent

Page 57, paragraph 3

-How does the "anyone other than elected members of the House and Senate" jibe with the statement on Page 54, paragraph XVI a.1, which states that members of Congress will be granted APEX access provided need-to-known requirements have been established?

Page 57, paragraph 4

-Will the Two-Person Rule be used?